

FISCAL NOTE

HB 2192 - SB 2371

February 14, 2000

SUMMARY OF BILL: Authorizes an unincorporated community that serves as the county seat to incorporate as a new municipality regardless of whether a growth plan has been adopted and notwithstanding the distance requirements prohibiting incorporations within minimum distances from existing municipalities.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues - Exceeds \$100,000/Permissive

Other Fiscal Impact - (1) Shift in local government revenues exceeding \$100,000 from Sullivan County and other incorporated municipalities to Blountville from state-shared taxes to the extent Blountville chooses to incorporate.

(2) Shift in local government expenditures exceeding \$100,000 from Sullivan County to Blountville for services provided in the newly incorporated area to the extent Blountville chooses to incorporate.

Assumes:

- Blountville in Sullivan County is the only unincorporated community serving as a county seat.
- to the extent Blountville chooses to incorporate, the city will enact a property tax as required by law to receive state-shared tax revenue.
- an increase in local government revenues exceeding \$100,000 from enactment of the property taxes by Blountville.
- Blountville will be eligible for the shift in revenues from certain state-shared taxes from Sullivan County in the first fiscal year after incorporation. After the 15 year "hold harmless" time period expires, the revenues from situs-based wholesale beer and local option sales taxes collected in Blountville will shift from Sullivan County to the city.
- impact depends on how the municipal boundaries of Blountville are drawn and the population and businesses within those boundaries.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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